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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.3513 OF 2003
IN
SUIT NO.3696 OF 2003

M/s.Chaitali Petrochem Industries Pvt. Ltd. and others).. Plaintiffs

Versus

Maharashtra State Financial Corporation and others).. Defendants

Ms.Varsha Palav for the Plaintiffs.

Mr.M.P. Rege i/b.M.P.Rege & Co. for Defendant No.1.

CORAM : SMT. NISHITA MHATRE, J.

DATED : 11TH JULY 2006

P.C.:

. The Plaintiffs contend that the Defendant No.1 has erroneously claimed the loan amount which the Plaintiffs had borrowed from Defendant No.1 by charging interest at the rate of 19.5% instead of 16% per annum. According to the Plaintiffs, the Defendant No.1 is entitled to charge interest under the loan agreement at the rate of 23%. However, once refinance facilities are availed of, Defendant No.1 is expected to charge interest at the same rate as a term loan is charged by Small Industries Development Bank of India (SIDBI) and IDBI. It is contended on behalf of the Plaintiffs that Defendant No.1 has obtained refinance from SIDBI of the loan advanced to the Plaintiffs at the rate of 16% and, therefore, the Plaintiffs should be charged interest at the same rate.

2. The learned Advocate for Defendant No.1 contends that an amount of Rs.9,00,000/- is due and payable by the Plaintiffs. He contends that Defendant No.1 is entitled to charge interest @ 19.5%. He submits that Defendant No.1 has thus reduced the interest rate after obtaining refinance from SIDBI.

3. Without going into this issue as to whether interest should be charged at 19.5% or 16% per annum, at this stage, in my view, it would be appropriate to direct the Plaintiffs to deposit an of Rs.4,50,000/- (Rupees Four Lakhs and Fifty Thousand only). The Plaintiff has already deposited with Defendant No.1 an amount of Rs.4,00,000/- on 31st January 2003 pursuant to the orders of this Court in Writ Petition No.315 of 2003.

4. Notice of Motion made absolute in terms of prayer clauses (a) and (b) of the Motion on condition that the Plaintiffs deposit the amount of Rs.4,50,000/- (Rupees Four Lakhs Fifty Thousand only) in this Court within six weeks from today.

5. If the amount is so deposited by the Plaintiff within the stipulated period, Prothonotary & Senior Master to invest the same in a Fixed Deposit of a Nationalised Bank initially for a period of three years to be renewed thereafter till the disposal of the Suit.

6. Motion disposed off accordingly.